

State of Alaska FY2010 Governor's Operating Budget

Department of Revenue Unclaimed Property Component Budget Summary

Component: Unclaimed Property

Contribution to Department's Mission

The mission of the Unclaimed Property program is to fulfill its statutory mandate to administer Alaska's Uniform Unclaimed Property Act (AS 34.45).

Core Services

- Receive unclaimed property in the form of cash and securities from businesses (profit and non-profit) and governmental agencies as required by Alaska's Unclaimed Property Act.
- Locate owners, heirs or authorized representatives of unclaimed property.
- Determine legal validity of property ownership; deny or distribute property including accruals and interest, in order to make payment of allowed claims.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$355,200

Personnel:

Full time	4
Part time	0
Total	4

Key Component Challenges

All funds received as unclaimed property are deposited into the Unclaimed Property Trust account in the general fund. Amounts received from property holders exceed refunds to owners because not all property owners are located. A minimum balance is maintained in the trust account and excess funds are periodically transferred to the general fund.

Identity theft and fraud are key contributors to the challenges of determining and validating entitlement to unclaimed property accounts. The volume of accounts, software and printing technology, and similar name relationships intensifies those challenges:

- 410,000 property accounts are held in trust, totaling \$91.9 million dollars
- An average of 59,500 new property accounts are received each year

Many types of unclaimed property require specialized accrual transactions and legal ownership transfers which create numerous challenges:

- Pension and profit share plans
- Condemnation awards
- Demutualized insurance policies
- Stocks, bonds, mutual funds, direct registered and dividend reinvestment plan accounts
- Receiverships
- Bankruptcy distributions

Significant Changes in Results to be Delivered in FY2010

No changes in results delivered.

Major Component Accomplishments in 2008

- In FY2008, the number of property items returned to owners increased by 13% over FY2007.

- A transfer of \$5 million was made to the state general fund for FY2008 collections in excess of refunds. Since the inception of the program in 1986, a total of \$68.75 million has been transferred to the state general fund from the Unclaimed Property Trust account.
- During the past five years (FY2004-FY2008) a total of \$36.5 million has been transferred to the general fund, \$13.7 million has been refunded, and 26,229 owners have been reunited with their property.

Statutory and Regulatory Authority

AS 34.45 Alaska's Uniform Unclaimed Property Act

Contact Information
<p>Contact: Jerry Burnett, Director, Administrative Services Phone: (907) 465-2312 Fax: (907) 465-1685 E-mail: jerry.burnett@alaska.gov</p>

Unclaimed Property Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	305.0
72000 Travel	0.0	0.0	9.1
73000 Services	0.0	0.0	33.4
74000 Commodities	0.0	0.0	7.7
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	355.2
Funding Sources:			
1004 General Fund Receipts	0.0	0.0	197.9
1005 General Fund/Program Receipts	0.0	0.0	157.3
Funding Totals	0.0	0.0	355.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
General Fund Program Receipts	51060	0.0	0.0	157.3
Restricted Total		0.0	0.0	157.3
Total Estimated Revenues		0.0	0.0	157.3

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	0.0	0.0	0.0
Adjustments which will continue current level of service:				
-Establish Separate Component for Unclaimed Property	355.2	0.0	0.0	355.2
FY2010 Governor	355.2	0.0	0.0	355.2

**Unclaimed Property
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	0	4	Annual Salaries	192,745
Part-time	0	0	COLA	7,803
Nonpermanent	0	0	Premium Pay	1,897
			Annual Benefits	110,678
			<i>Less 2.59% Vacancy Factor</i>	(8,123)
			Lump Sum Premium Pay	0
Totals	0	4	Total Personal Services	305,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk	0	0	2	0	2
Accounting Tech II	0	0	1	0	1
Unclaimed Property Manager	0	0	1	0	1
Totals	0	0	4	0	4